

Message Text

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60

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 SS-15 CIAE-00 INR-05

NSAE-00 RSC-01 COME-00 TRSE-00 OMB-01 NSC-05 STR-01

FEA-01 CEA-01 DODE-00 FRB-01 H-01 L-02 LAB-04 PA-01

AID-05 CIEP-01 TAR-01 USIA-06 PRS-01 SP-02 /080 R

DRAFTED BY EB/OF/FPD:RSSIMPSON:EUR/EE:RCHRISTENSEN:JV

APPROVED BY EB/OF/FPD:MPBOERNER

EB/IFD:KSTOCKER

USDA/FAS:STEPHENS

EB/OF/FPD:CGBILLO

EUR:ARMITAGE

C:SHINN

EUR/CAN:HOLTON

S/S-O: L. MATTESON

----- 001812

P 210259Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST PRIORITY

C O N F I D E N T I A L STATE 279787

E.O. 11652: GDS

TAGS: EAGR, RO

SUBJ: ROMANIAN FEEDGRAIN NEEDS: CCC CREDIT

REF: (A) BUCHAREST 5700; (B) STATE 261759

1. EMBASSY MAY INFORM GOR THAT CREDIT FOR COTTON AMOUNTING TO DOLS. 15 MILLION HAS BEEN FORMALLY APPROVED. ANNOUNCEMENT TO U.S. EXPORTERS WAS MADE AT 3:00 P.M. DECEMBER 19. USDA BUDGET SITUATION PRECLUDES AUTHORIZING LARGER AMOUNT AT THIS TIME, BUT A ROMANIAN REQUEST FOR ADDITIONAL AMOUNT FOR COTTON AFTER THIS CREDIT IS EXHAUSTED WOULD BE GIVEN SYMPATHETIC CONSIDERATION.

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2. WE ARE NOT ABLE TO GIVE POSITIVE RESPONSE TO REQUEST

FOR ADDITIONAL FEEDGRAINS CREDITS AT THIS TIME FOR REASONS OUTLINED IN STATE 261U59. FEEDGRAINS--CORN, OATS, RYE, BARLEY, SORGHUM--HAVE BEEN REMOVED FROM THE LIST OF COMMODITIES ELIGIBLE FOR CCC FINANCING. FEED QUALITY WHEAT IS IN VERY LIMITED SUPPLY IN THE U.S. MARKET AND CONSISTS PRIMARILY OF GARLICKY SOFT RED WHICH SELLS AT A DISCOUNT OF 6-10 DOLLARS PER TON FROM STANDARD QUALITY. THUS THE PRICE WOULD BE CONSIDERABLY HIGHER THAN FOR TRADITIONAL FEEDGRAINS. IT WOULD BE EXTREMELY DIFFICULT TO JUSTIFY CCC EXPORT FINANCING FOR THIS WHEAT SINCE SOME OF IT IS BEING USED TO ALLEVIATE TIGHT LIVESTOCK FEED SUPPLY SITUATION IN THE U.S. (SOME IS ALSO BEING CLEANED AND USED FOR MILLING). CANADA, ON THE OTHER HAND, HAS SUBSTANTIAL QUANTITIES OF FEED QUALITY WHEAT AND THUS FAR HAS MADE ONLY LIMITED SALES. GOR MIGHT, THEREFORE, WISH TO INVESTIGATE PURCHASES FROM CANADA, POSSIBLY UNDER CREDIT ARRANGEMENTS, RATHER THAN SEEK U.S. WHEAT WHICH MAY BE MORE COSTLY AND WHICH WE CANNOT NOW GUARANTEE WOULD BE AVAILABLE UNDER CCC FINANCING. IN PASSING SUCH INFO TO GOR, EMBASSY SHOULD EMPHASIZE THAT U.S. DOES NOT USUALLY REFER ITS GOOD CUSTOMERS TO OTHER SUPPLIERS, BUT THAT WE ARE COMMUNICATING THIS INFO BECAUSE WE UNDERSTAND SERIOUSNESS OF ROMANIAN CONCERN AND WANT TO BE AS HELPFUL AS POSSIBLE. EMBASSY SHOULD ALSO EMPHASIZE THAT U.S. WILL KEEP ITS PLEDGE TO ALLOW ROMANIA TO MEET ITS ESSENTIAL FEED GRAIN IMPORT REQUIREMENTS THROUGH CASH PURCHASES IN THE U.S. WHICH WOULD BE SUBJECT TO U.S. REPORTING AND PRIOR APPROVAL EXPORT SYSTEM.

3. HARVEST SITUATION FOR 1975 CROP WILL BE NOT SUFFICIENTLY CLEAR TO ENABLE LIFTING OF MORATORIUM ON CREDITS FOR FEEDGRAINS UNTIL MID-SUMMER IF CROP PROSPECTS ARE FAVORABLE. THEREFORE, WE CANNOT HOLD OUT ANY HOPE TO GOR THAT IT WILL BE POSSIBLE TO EXTEND FEEDGRAIN CREDITS IN TIME TO ENABLE SHIPMENTS FOR ARRIVAL THIS WINTER OR SPRING 1975.

4. NO CCC FEEDGRAIN CREDITS HAVE BEEN AUTHORIZED FOR POLAND THIS YEAR. CCC CREDIT OPENED FOR POLAND DURING CONFIDENTIAL

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GIEREK VISIT WAS FOR TOBACCO, COTTON, TALLOW AND RICE, NOT REPEAT NOT FEEDGRAINS. SISCO

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, BUDGETS, GRAINS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE279787
Document Source: CORE
Document Unique ID: 00
Drafter: RSSIMPSON:EUR/EE:RCHRISTENSEN:JV
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740371-0893
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741216/aaaaanrs.tel
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Review Comment: n/a
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Review Date: 05 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 JUN 2002 by elyme>; APPROVED <31 MAR 2003 by ElyME>
Review Markings:

Declassified/Released
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EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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TAGS: EAGR, RO, US, CCC
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Type: TE
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